



# Australian Bureau of Statistics

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## Summary

### Main Features

#### ABOUT THIS PUBLICATION

This publication includes feature articles that provide a South Australian focus on economic, social and environmental issues. In June, September, December and March, the publication provides an overview of the South Australian economy.

This month there are two articles.

The first article, **Household Income in South Australia**, presents information sourced from an experimental ABS publication, where aggregated data has been provided by the Australian Taxation Office, and the Australian Government Department of Family and Community Services. The article looks at average weekly household expenditure at a national level, as well as within South Australia. Main sources of income are also compared at a regional level within South Australia.

The second article, entitled **Household Expenditure in South Australia**, presents information pertaining to the main categories of household expenditure in South Australia. Comparisons are made at a national level, and also between Adelaide and the rest of the state.

The data in these articles are presented in original terms. Explanatory Notes are not included in SA Stats in the form found in other ABS publications. Readers are directed to the Explanatory Notes contained in source ABS publications.

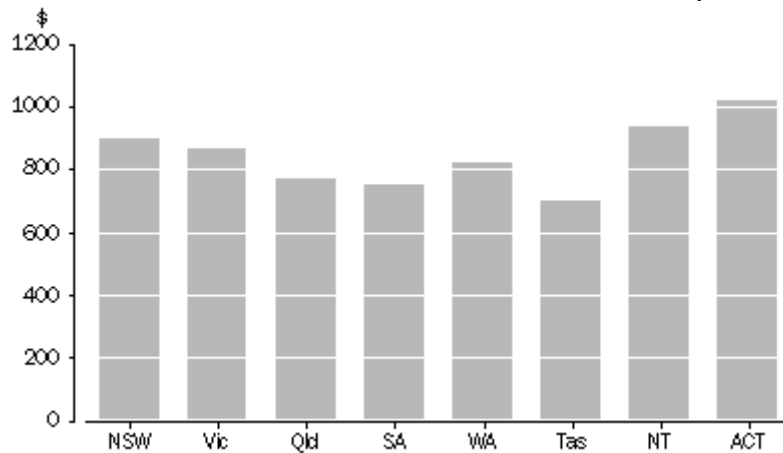
If you have any comments about this product, please contact Lisa Moutzouris on ph. (08) 8237 7455 or alternatively email [lisa.moutzouris@abs.gov.au](mailto:lisa.moutzouris@abs.gov.au)

#### HOUSEHOLD INCOME IN SOUTH AUSTRALIA

The ABS has released data that shows in 2000-01 South Australian households earned an average of \$750 per week, after tax. The publication 'Experimental Estimates of Personal Income for Small Areas, Taxation and Income Support Data, 1995-96 to 2000-01' (Cat. no. 6524.0), combines aggregated data from the Australian Taxation Office and the Australian Government Department of Family and Community Services for the 2000-01 financial year. The resultant estimates are experimental, but provide an insight into income sources for regional Australia.

#### AVERAGE WEEKLY HOUSEHOLD DISPOSABLE INCOME

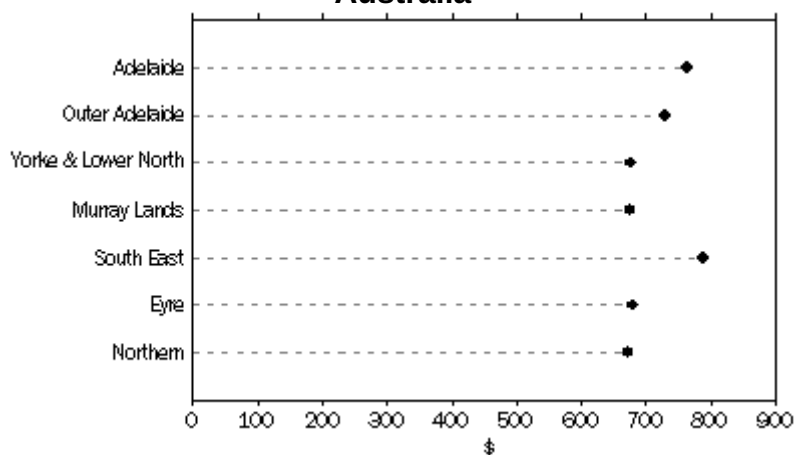
## AVERAGE WEEKLY HOUSEHOLD DISPOSABLE INCOME, States - Australia



Source: Information Paper: Experimental Estimates of Personal Income for Small Areas, Taxation and Income Support Data 1995-96 to 2000-01 (cat. no. 6524.0).

Households in the Australian Capital Territory showed the highest average weekly disposable income (gross income less tax) of \$1,018, when compared to households in the other states and territory. Tasmania had the lowest average weekly household disposable income of \$701 while South Australia (\$750) was 11% below the national average of \$842.

## AVERAGE WEEKLY HOUSEHOLD DISPOSABLE INCOME, Statistical Divisions - South Australia



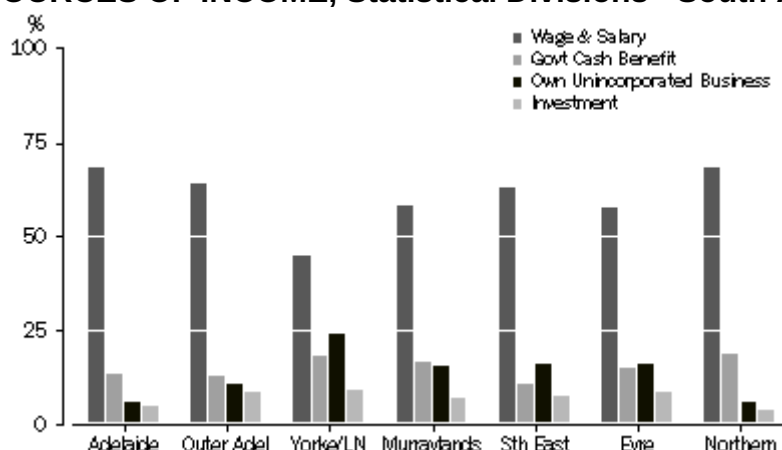
Source: Experimental Estimates of Personal Income for Small Areas, Taxation and Income Support Data - Data Cube 1995-96 to 2000-01 (cat. no. 6524.0.55.001).

Within South Australia, the South East Statistical Division (SD), had the highest average weekly household disposable income of \$787. The Adelaide SD had the second highest average of \$763. The Northern SD had the lowest average weekly household disposable income of \$673.

The publication (cat. no. 6524.0) also includes information on various sources of income and the amount received from each source. The dollar values for each source are calculated before tax is deducted.

While wage and salary accounted for the greatest proportion of income received by individuals in all South Australian regions, other main sources included government cash benefits and own unincorporated business. In the Adelaide SD, the third largest source of income after wage and salary and government cash benefits was investment.

## MAIN SOURCES OF INCOME, Statistical Divisions - South Australia



Source: Experimental Estimates of Personal Income for Small Areas, Taxation and Income Support Data - Data Cube 1995-96 to 2000-01 (Cat. no. 6524.0.55.001).

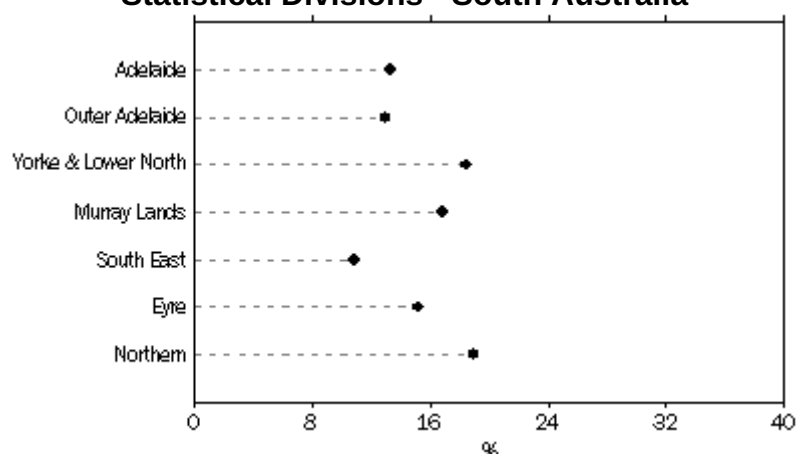
### WAGE AND SALARY INCOME

The majority of income to individuals in all South Australian regions was derived from wage and salary. Wage and salary accounted for over two thirds of total income for the statistical divisions of Adelaide (68.1%) and Northern (68.2%). In the Yorke & Lower North SD wage and salary accounted for less than half of gross income (45.1%) for the region.

### GOVERNMENT CASH BENEFIT INCOME

As a percentage of total income, the residents of Northern SD derived more income from government cash benefits (18.9%) than any other region in South Australia, closely followed by the Yorke & Lower North SD (18.5%). The region with the least proportion of income from government cash benefit was the South East SD at 10.9%.

### PROPORTION OF TOTAL INCOME SOURCED FROM GOVERNMENT CASH BENEFITS, Statistical Divisions - South Australia



Source: Experimental Estimates of Personal Income for Small Areas, Taxation and Income Support Data - Data Cube 1995-96 to 2000-01 (Cat. no. 6524.0.55.001).

Regions which received higher proportions of income from government cash benefits tended to have lower average weekly household disposable incomes. For example, the Northern SD, which had the highest proportion of income from government cash benefits had the lowest average weekly household disposable income for all South Australian regions (\$673). The 2001 unemployment rate for the region was 9.2%, the highest of all regions. Regions

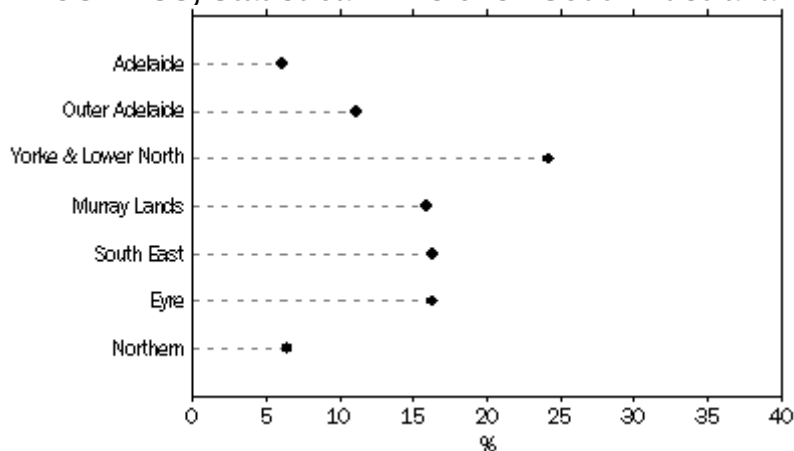
with a lower proportion of income from government cash benefits, had higher average weekly household disposable incomes. The South East SD which had the lowest proportion of income from government cash benefits (and also the lowest unemployment rate at 4.1%), had the highest average weekly household disposable income (\$787) compared with all other South Australian regions.

(Regional unemployment rates sourced from DEWR, Small Area Labour Markets, Australia)

### OWN UNINCORPORATED BUSINESS INCOME

The Yorke & Lower North SD, where the majority of the region's area comprises agricultural holdings, derived 24.2% of gross income from own unincorporated business, a higher proportion from that source than any other South Australian region. As a whole, South Australia derived 7.9% of total income from own unincorporated business.

#### PROPORTION OF TOTAL INCOME SOURCED FROM OWN UNINCORPORATED BUSINESS, Statistical Divisions - South Australia



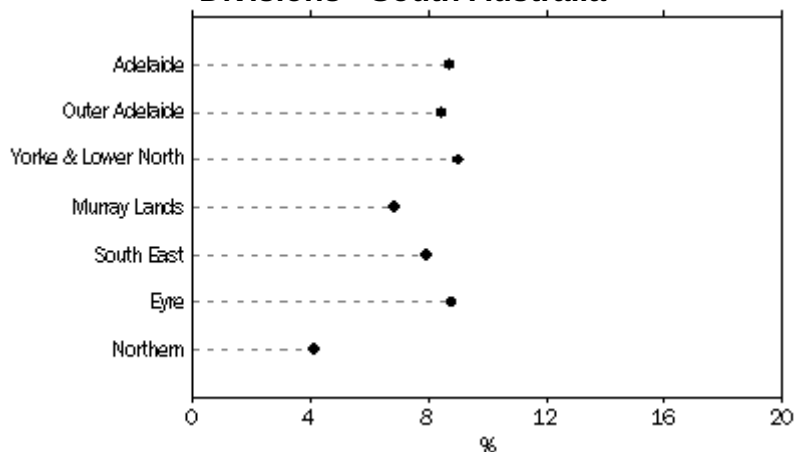
Source: Experimental Estimates of Personal Income for Small Areas, Taxation and Income Support Data - Data Cube 1995-96 to 2000-01 (Cat. no. 6524.0.55.001).

The Murray Lands, Eyre and the South East SDs all sourced between 15.8% and 16.3% of their total income from own unincorporated business. Income from own unincorporated business accounted for 11.1% of total income in the Outer Adelaide SD.

### INVESTMENT INCOME

Overall, investment income accounted for 8.4% of total income in South Australia.

#### PROPORTION OF TOTAL INCOME SOURCED FROM INVESTMENT, Statistical Divisions - South Australia



Source: Experimental Estimates of Personal Income for Small Areas, Taxation and Income Support Data - Data Cube 1995-96 to 2000-01 (Cat. no. 6524.0.55.001).

The Yorke & Lower North SD which had the lowest proportion of income from wage and salary, and the highest proportion of income from own unincorporated business, also had the highest proportion of income from investment at 9.0%. The Eyre SD sourced 8.8% of total income from investment, followed by Adelaide at 8.7%. The Northern SD which had the highest proportion of income from both wage and salary, and government cash benefits compared to all South Australian regions, had the lowest proportion sourced from investment at 4.1%.

#### **Note: Data limitations**

1. A significant number of low income earners are not necessarily required to lodge a tax return, and so information pertaining to this group would therefore not be included in the ATO data
2. Pensions/allowances paid by the Department of Veterans Affairs, and Community Development Employment Project payments administered by the Department of Employment and Workplace Relations are not included in the government cash benefits data.
3. The calculation of average household disposable income (total income less tax, divided by the number of households as per the 2001 Census of Population and Housing) is derived using total income data which includes income for persons in non-private dwellings. Therefore the general effect of this derivation is that household averages will be higher than would normally be expected.

Please refer to the publication (Cat. no. 6524.0) for further detail regarding data limitations.

#### **References**

**Information Paper: Experimental Estimates of Personal Income for Small Areas, Taxation and Income Support Data 1995-96 to 2000-01**(cat. no. 6524.0).

**Experimental Estimates of Personal Income for Small Areas, Taxation and Income Support Data - Data Cube 1995-96 to 2000-01** (cat. no. 6524.0.55.001).

**Regional Statistics, South Australia 2003** (cat. no. 1362.4)

DEWR, Small Area Labour Markets, Australia

## **HOUSEHOLD EXPENDITURE IN SOUTH AUSTRALIA**

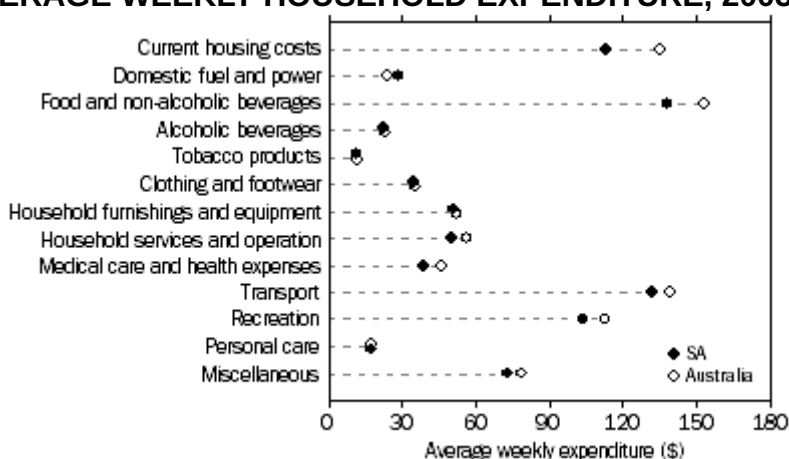
The Household Expenditure Survey collects information regarding how much households spend on goods and services. According to the publication 'Household Expenditure Survey, Australia: Summary of Results 2003-04' (Cat. no. 6530.0), in 2003-04, 60% of average weekly household expenditure in South Australia was in the four categories of food and non-alcoholic beverages (17%), current housing costs (selected dwellings) (14%), transport (16%), and recreation (13%). The broad expenditure category food and non-alcoholic beverages includes spending on meals out and fast foods. The category current housing costs (selected dwellings) includes rent, mortgage repayments (interest only), water and sewerage, house and contents insurance and general rates. Transport includes motor vehicle purchase, motor vehicle fuel, public transport fares and fare and freight charges. Recreation includes home computer equipment, audio visual equipment, gambling, and holidays.

As these four categories account for the majority of household spending, this article

examines expenditure on them for South Australian households compared with the national average, and Adelaide households compared with households in the rest of the state. Although expenditure on domestic fuel and power only accounted for 3% of average household weekly expenditure in Australia, it is included in this article as it has been a frequent topic of discussion in South Australia in recent times. The category domestic fuel and power includes expenditure on electricity, mains gas, bottled gas, heating oil and wood.

In the 12 months to June 2004, South Australian households' average weekly expenditure on goods and services was \$814. This was lower than the average for all Australian households (\$883). Overall, average weekly expenditure on goods and services by South Australian households was the second lowest of all states and territories, followed only by Tasmania (\$753).

#### AVERAGE WEEKLY HOUSEHOLD EXPENDITURE, 2003-04



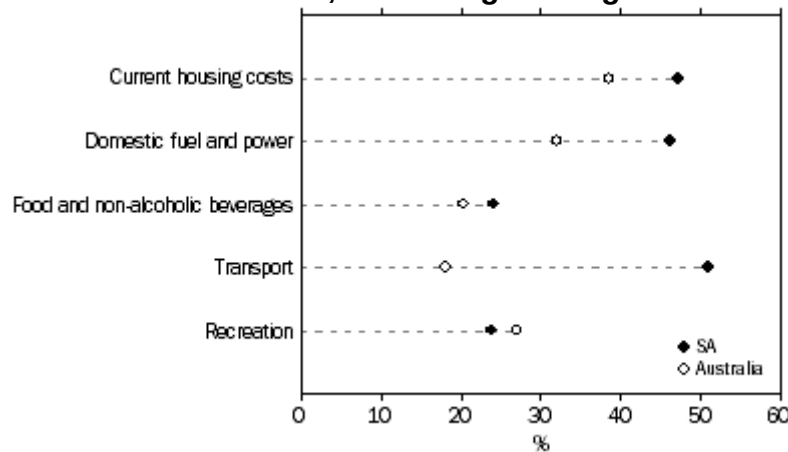
Source: Household Expenditure Survey, Australia: Summary of Results 2003-04 (Cat. no. 6530.0)

Between 1998-99 and 2003-04 the average weekly expenditure by South Australian households rose by 35%, while the average weekly expenditure for all Australian households rose by 26%. Part of these increases can be attributed to inflation. Over this period, the price of goods and services as measured by the consumer price index (CPI) rose by 19% for Adelaide, while the weighted average for all eight capital cities increased by 18%. Even taking into account the difference in CPI increases between Adelaide and Australia, the average weekly expenditure on goods and services by South Australian households has increased by more than that recorded for all Australian households.

In 2003-04, South Australian households spent an average of \$138 per week on food and non-alcoholic beverages. This was \$15 less per week than the average for all Australian households (\$153). Between 1998-99 and 2003-04, South Australian expenditure in this category increased by 24%, compared with an increase of 20% for all Australian households. However, the proportion of total weekly expenditure spent on this category by both South Australian and Australian households actually decreased from 18% to 17% over this period.

South Australian households spent an average of \$132 per week on transport in 2003-04. This was \$7 less than the national average (\$139). Between 1998-99 and 2003-04, South Australian household average weekly expenditure on transport increased by 51%, compared with 18% for Australian households. Expenditure on transport as a proportion of total expenditure on goods and services in South Australian households rose from 14% to 16%, while for Australian households it decreased from 17% to 16%.

## AVERAGE WEEKLY EXPENDITURE, Percentage change from 1998-99 to 2003-04



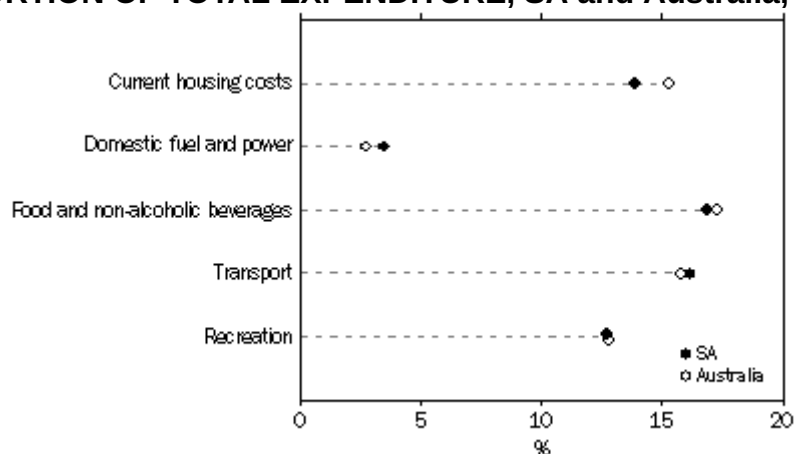
Source: Household Expenditure Survey, Australia: Summary of Results 2003-04 (Cat. no. 6530.0)

In 2003-04, South Australian households spent an average of \$113 per week on current housing costs, compared with \$135 for Australian households. Between 1998-99 and 2003-04 average weekly expenditure on current housing costs for South Australian households increased by 47%, compared with 39% for all Australian households. This represented an increase from 13% of the total South Australian household weekly expenditure to 14%. A similar increase was seen for all Australian households, from 14% of total expenditure to 15%.

South Australian households spent an average of \$104 a week on recreation, \$9 less than the national average. Between 1998-99 and 2003-04, South Australian household expenditure on recreation increased by 24%, while Australian household expenditure in the same category increased by 27%. Proportionally, South Australian household expenditure on recreation decreased from 14% of total expenditure on goods and services to 13%, while the average for Australian households remained at 13%.

South Australian household expenditure on domestic fuel and power (\$28 per week) was higher than the average recorded for all Australian households (\$24 per week) in 2003-04. This was one of only two broad categories in which South Australian household average expenditure exceeded the average for all Australian households. Between 1998-99 and 2003-04, South Australian household average weekly expenditure on domestic fuel and power rose by 46% compared with 32% for Australia. Proportionally, expenditure on domestic fuel and power by South Australian households increased from 3% of total expenditure to 4% over this period, while for Australian households it remained at 3%.

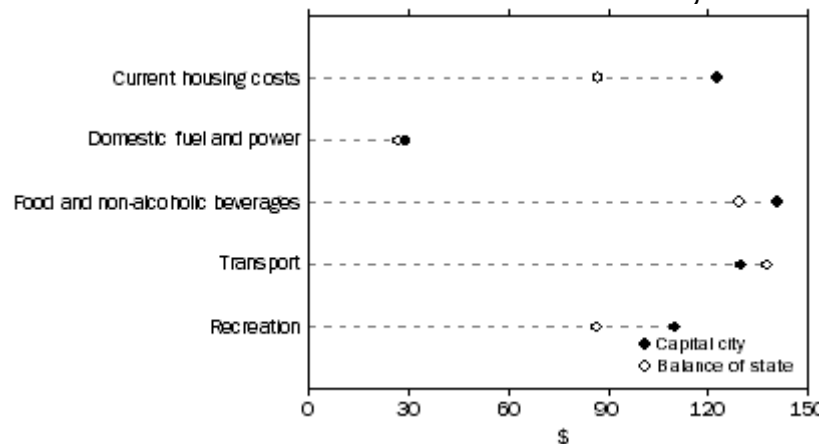
## PROPORTION OF TOTAL EXPENDITURE, SA and Australia, 2003-04



## ADELAIDE AND BALANCE OF STATE

In 2003-04, the average weekly expenditure on goods and services by Adelaide households was over \$100 higher than households in the rest of the state (\$843, compared with \$734).

### AVERAGE WEEKLY HOUSEHOLD EXPENDITURE, SA 2003-04



Source: Household Expenditure Survey, Australia: Summary of Results 2003-04 (Cat. no. 6530.0)

Adelaide households spent an average of \$123 per week on current housing costs, compared with \$87 for other households in South Australia. This represented 15% of the total average weekly expenditure on goods and services for Adelaide households, compared with 12% for households in the rest of the state.

Adelaide households also spent more on food and non-alcoholic beverages (\$141 per week) than other households in South Australia (\$129). However, expenditure in this category represented a slightly higher proportion of total weekly expenditure by households in the rest of the state (18%) than by households in Adelaide (17%).

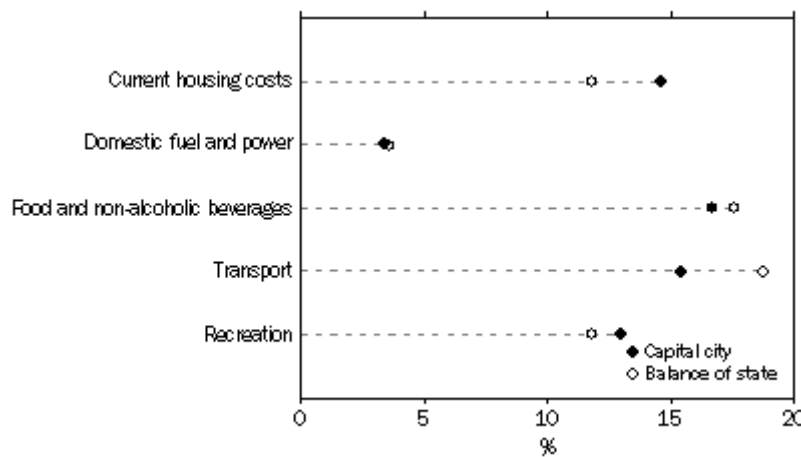
Households outside Adelaide spent more on transport, with an average expenditure of \$138 per week compared with \$130 for Adelaide. In 2003-04, expenditure on transport was the largest weekly category of expenditure for households in the rest of the state, accounting for 19% of their total average weekly expenditure on goods and services. This compares with 15% of the average weekly expenditure by Adelaide households.

Adelaide households spent more on recreation (\$110) per week than other households in South Australia (\$86). However, the proportion of the total weekly average expenditure spent on this category was similar for both (13% for Adelaide households compared with 12% for households in the rest of the state).

Expenditure in 2003-04 on domestic fuel and power was similar for Adelaide households (\$29 per week) and other households in South Australia (\$27 per week), with this category accounting for 3% of the total weekly expenditure for Adelaide, and 4% for households in the rest of the state.

### PROPORTION OF TOTAL EXPENDITURE, SA 2003-04





Source: Household Expenditure Survey, Australia: Summary of Results 2003-04 (Cat. no. 6530.0)

## References

**Household Expenditure Survey, Australia, Summary of Results 1998-99** (cat. no. 6530.0)

**Household Expenditure Survey, Australia: Summary of Results 2003-04** (cat. no. 6530.0)

**Consumer Price Index, June 2005, Time series spreadsheet Table 1** (cat. no. 6401.0)

## About this Release

### ABOUT THIS RELEASE

An economic summary for South Australia is provided each quarter in the form of graphs and explanatory text. In the second and third months of each quarter one or more articles examine an area of specific interest to South Australia.

Replaces: 1307.4